Government of Saskatchewan

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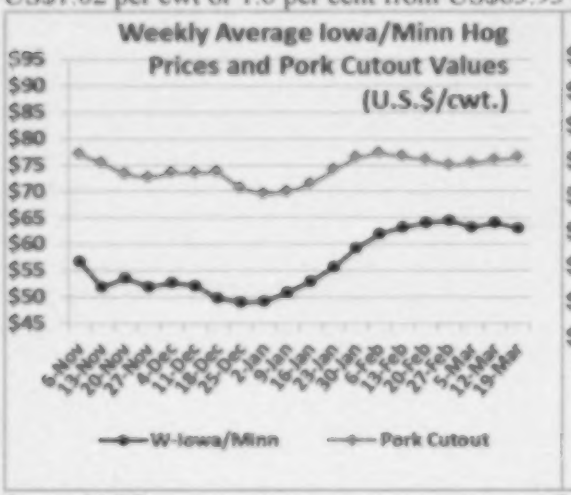
Weekly Hog Report

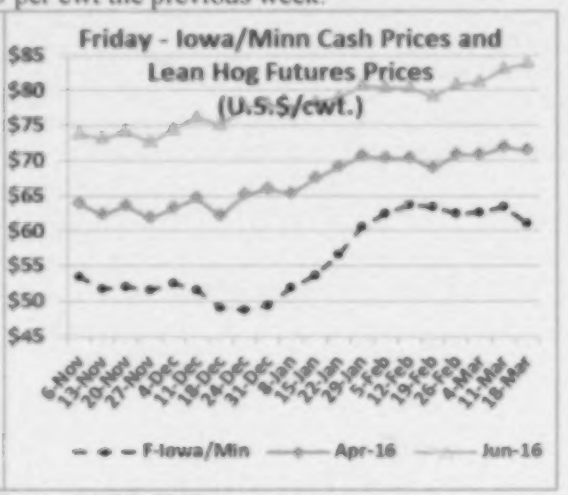
March 21, 2016

Cash Slaughter Weight Hog Prices

United States daily average cash hog prices (Iowa/Minn) were trending lower last week to end Friday lower, week-over-week. Hog prices on Friday March 18 averaged US$61.06 per cwt, down US$2.39 per cwt or 3.8 per cent from US$63.45 per cwt the previous Friday. The negotiated base price last week averaged US$62.91 per cwt, down US$1.02 per cwt or 1.6 per cent from US$63.93 per cwt the previous week.



Source: LMIC



Source: LMIC, CME

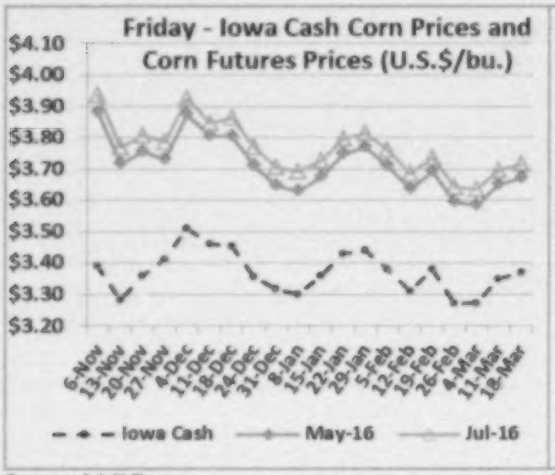
In Canada, the Signature#3 (Maple Leaf) Index 100 daily price for Friday March 18, 2016 was $148.27 per ckg, down $10.92 per ckg or 6.9 per cent from $159.19 per ckg the previous Friday. Signature#3 weekly prices (Friday to Thursday) averaged $152.69 per ckg, down $2.35 per ckg or 1.5 per cent from the previous weeks' average price of $155.04 per ckg. The Canadian dollar continued higher on stronger financial markets last week and closed Friday at 76.70 cents, up 1.12 cents from 75.58 the previous Friday, but down from weekly highs of just over 77 cents.

Futures Markets

United States lean hog futures daily prices were mixed over the week down early in the week followed by some gains late in the week to end the week mixed, week-over-week. The nearby April 2016 contract declined US$0.375 per cwt last week to settle Friday at US$71.450 per cwt, while the June 2016 contract increased US$0.825 per cwt to settle Friday at US$83.900 per cwt. The June lean hog futures contract settled almost US$23 per cwt higher than the current slaughter weight cash hog prices.

Cash Feeder Hog Prices

North American (Iowa) iso-wean (10-12lb) cash hog prices and feeder (40lb) cash hog prices were mixed last week. Weighted average cash prices for iso-weans (12lb) last week were US$42.66 per head, down US$3.15 per head from US$45.81 per head the previous week. Feeders (40lb) were US$79.01 per head, up $4.21 per head from US$74.80 per head, the previous week.



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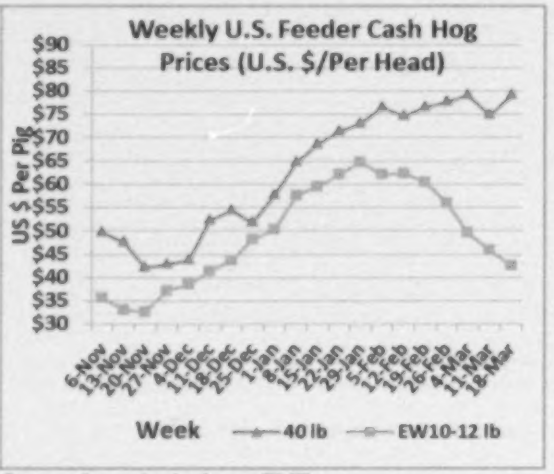


Source: Iowa Agriculture, CME

U.S. corn prices edged higher last week. Iowa cash corn prices increased two cents to settle Friday at US$3.37 per bushel. U.S. daily corn futures prices were primarily higher last week and ended the week higher, week-over-week. The March 2016 corn contract increased ¾ cent on Monday to expire at $3.66¾ per bushel, while the May 2016 corn contract increased two cents per bushel to settle Friday at US$3.67 per bushel.

Hogs Slaughtered

U.S. hogs slaughtered under federal inspection for the week ending March 19 were estimated 2.187 million head, down 2.4 per cent from 2.240 million head the previous week, and down 2.3 per cent from 2.237 million head the same week a year ago. U.S. hogs slaughtered over the last four weeks ending March 19 averaged 2.215 million head per week, down 0.8 per cent from 2.234 million head over the same period a year ago.

In Canada, federal and provincial hog slaughter numbers for the week ending March 12, 2016 were estimated at 426,490 head, up 7.2 per cent from 397,688 head the previous week, and up 3.7 per cent from 411,317 head the same week a year ago. Canadian hog slaughter numbers over the last eight weeks averaged 417,146 head, down 0.3 per cent from 418,523 head over the same eight weeks in 2015.

In Western Canada, hogs slaughtered over the week ending March 12, 2016 were estimated at 174,869 head, up 6.7 per cent from 163,851 head the previous week, and up 2.3 per cent from 170,884 head the same week a year ago. Hog slaughter numbers over the last four weeks averaged 166,776 head, down 0.3 per cent from 167,202 head the same period in 2015. In Western Canada, hog slaughter numbers over the last eight weeks averaged 167,807 head, down 1.3 per cent from the same eight weeks in 2015.

Meat Production

U.S. pork production for the week ending March 19, 2016 was estimated at 465.0 million lb., down 2.3 per cent from 476.1 million lb. the previous week, and down 2.8 per cent from 478.5 million lb. the same week a year ago. Pork production over the last four week's ending March 19 was estimated to average 470.9 million lb., down 1.5 per cent from 478.0 million lb. over the same four week period a year ago.

U.S. beef production for the week ending March 19 was estimated at 449.5 million lb., up 1.7 per cent from 441.8 million lb. the previous week, and up 6.4 per cent from 422.6 million lb. the same week a year ago.

Combined production of U.S. beef, pork, chicken and turkey over the four weeks ending March 12, 2016, was estimated to average 2.011 billion lb., up 2.8 per cent from 1.956 billion lb. over the same four weeks a year ago. Year-to-date, total U.S. meat production for 2016 is estimated to be up about 2.3 per cent compared to the same period in 2015.

United States Weekly Meat Production

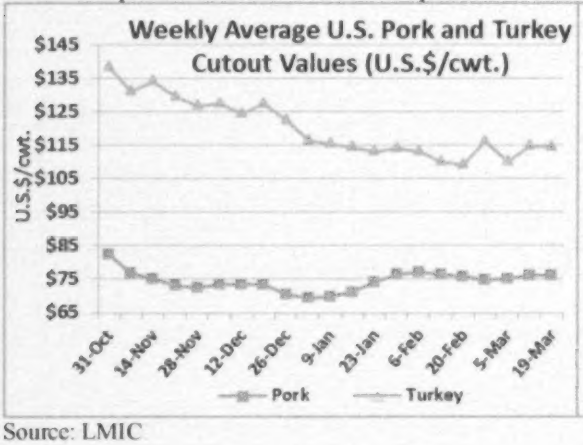
(Mar. 12) Four Week Average - Million Lb.			Percent Change	
	2015	2016	4 Week	YTD 2016
Pork	480.5	476.3	-0.9%	0.5%
Beef	431.1	440.9	2.3%	2.5%
Chicken	917.5	968.9	5.6%	3.5%
Turkey	126.7	125.4	-1.0%	-0.6%
Total	**1,955.7**	**2,011.5**	**2.85%**	**2.29%**

Source: LMIC

Cutout Values

U.S. pork cutout values for the week ending March 19, 2016 averaged US$76.30 per cwt, up 0.3 per cent from US$76.05 per cwt the previous week, and up 11.6 per cent from US$68.38 per cwt from the same week a year ago.

Choice beef cutout prices (600-900 lb.) for the week ending March 19, 2016 averaged US$231.77 per cwt, up 4.0 per cent from US$222.96 per cwt the previous week, but down 5.8 per cent from US$246.04 per cwt the same week a year ago.



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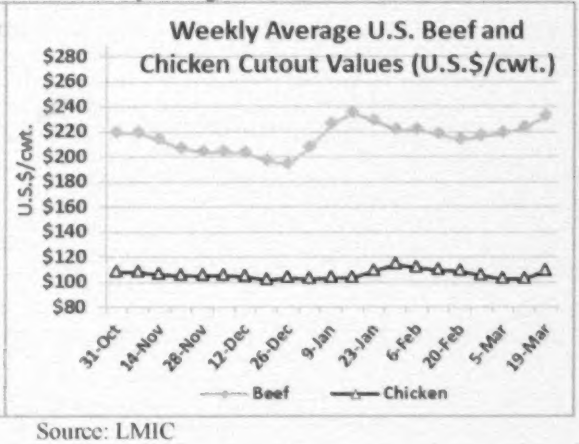


Source: LMIC

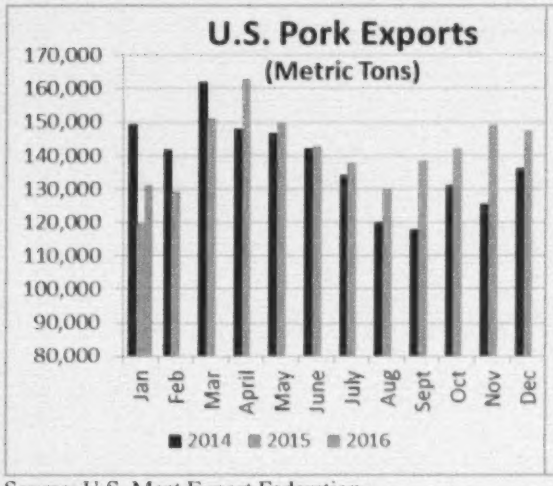
Average chicken cutout values (breast) for the week ending March 19, 2016 averaged US$108.15 per cwt, up 5.5 per cent from US$102.49 per cwt the previous week, but down 22.1 per cent from US$138.88 per cwt the same week a year ago.

The cutout values of pork and beef have overall increased since early January 2016, while the cutout values of turkey and chickens have been steady at best. Beef cutout values have jumped higher the last few weeks as we move into barbeque season.

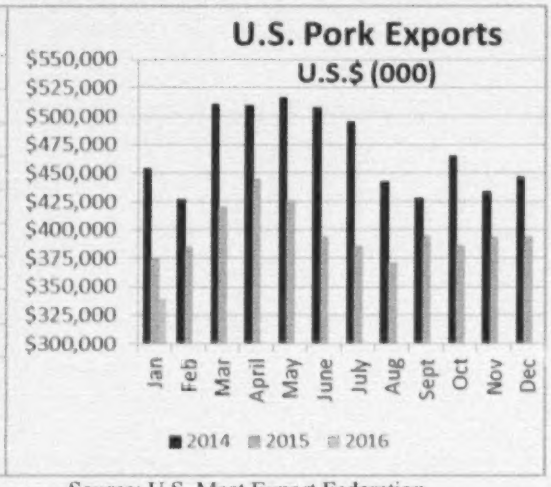
United States Pork Exports

United States exported 131,034 metric tons of pork in January 2016, down 10.9 per cent from 147,142 metric tons in December 2015, but up 9.7 per cent from 119,455 metric tons from January 2015. By dollar amount, U.S. pork exports in January 2016 were US$339.5 million, down 13.7 per cent from US$393.2 million in December 2015, and down 9.3 per cent from US$374.5 million a year ago in January 2015. U.S. pork exports by volume are higher year-over-year, while pork exports by dollar value have declined reflecting overall lower pork cutout values at the end of 2015.

Total U.S. pork exports by volume for January 2016 were noticeably higher to China, Japan, and Australia, year-over-year; but lower to Mexico, South Korea, and Canada. By dollar amount U.S. pork exports in January 2016 were noticeably higher to China and Australia, year-over-year; but significantly lower to Mexico and South Korea.



Source: U.S. Meat Export Federation



Source: U.S. Meat Export Federation

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